

Message Text

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PAGE 01 VIENNA 10745 01 OF 03 101456Z
ACTION IO-15

INFO OCT-00 COPY-01 ADS-00 AID-00 INR-10 EUR-00 SS-00
OIC-02 AF-00 CIAE-00 COMP-01 EB-08 DODE-00 H-01
NEA-07 ARA-00 NSAE-00 COME-00 SSO-00 L-03 LAB-04
TRSE-00 EAP-00 ITC-01 OPIC-07 CEA-01 OMB-01 STR-14
SIL-01 HHS-06 INRE-00 FRB-01 AGR-01 USIE-00 JUSE-00
SP-02 /087 W

-----237232 101503Z /46

O 101548Z AUG 74
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC IMMEDIATE 1773
INFO USMISSION USUN NEW YORK
USMISSION GENEVA
AMEMBASSY PARIS

UNCLAS SECTION 01 OF 03 VIENNA 10745

UNVIE

PARIS FOR OECD

EB FOR MARK WALL

USDEL 39

E.D. 12356: N/A
TAGS: UN, UNIDO, AFIN
SUBJECT: UNIDO IV: DRAFT GROUP B RESOLUTION ON
AGENDA ITEM 5(C), FINANCIAL RESOURCES

REF: A) VIENNA 10656, B) VIENNA 10454

1. UNDER U.S. CHAIRMAN (HEMENWAY), GROUP B
WORKING GROUP HAS PREPARED AD REF FOLLOWING TEXT
OF A DRAFT RESOLUTION ON MOBILIZATION OF
FINANCIAL RESOURCES (ITEM 5(C)). THIS TEXT WILL
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BE DISCUSSED AND APPROVED BY GROUP B AT 9
O'CLOCK MONDAY, AUGUST 13. ACTION REQUESTED:
GUIDANCE ON SATURDAY, AUGUST 11 (BY NIACT
IMMEDIATE) ON ACCEPTABILITY OF THIS TEXT FOR US
IN NEGOTIATIONS WITH G-77 WHOSE TEXT IS
CONTAINED IN REFTEL.

2. WHILE NORDICS REGARD THIS TEXT AS "MINIMAL," WE EXPECT OTHER GROUP B PLAYERS TO SUPPORT THIS TEXT STRONGLY. WE HAVE CAUTIONED GROUP B THAT WE SAW THIS AS GENERALLY REASONABLE TEXT AND WOULD NOT EXPECT MUCH WASHINGTON INTEREST IN MOVING FAR FROM IT. THERE IS GENERAL AGREEMENT THAT SOME REFERENCE FINALLY WILL HAVE TO BE MADE IN PREAMBULARY LANGUAGE TO INTEREST RATE/DEBT PROBLEM. WE WOULD PROPOSE TO BASE OURSELVES ON MAY 1984 OECD COMMUNIQUE LANGUAGE "DEBT PROBLEMS OF SOME DEVELOPING COUNTRIES REMAIN SERIOUS AND HIGH INTEREST RATES ADD TO THE DEBT SERVICING BURDEN".

3. TEXT OF GROUP B DRAFT:

MOBILIZATION OF FINANCIAL RESOURCES FOR INDUSTRIAL DEVELOPMENT (AGENDA ITEM 5(C))

DRAFT RESOLUTION SUBMITTED BY GROUP B

CONVINCED THAT FINANCIAL RESOURCES ARE A KEY FACTOR FOR THE INDUSTRIAL DEVELOPMENT OF DEVELOPING COUNTRIES,

CONCERNED AT THE DIFFICULTY OF MOBILIZATION OF UNCLASSIFIED

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FINANCIAL RESOURCES WHICH IS A CONSTRAINT FOR INDUSTRIALISATION OF DEVELOPING COUNTRIES,

STRESSING THAT MOBILIZATION OF DOMESTIC RESOURCES IN DEVELOPING COUNTRIES TO HELP THEM TAKE ADVANTAGE OF THE RECOVERY IN WORLD TRADE AND MANUFACTURES IS OF PARAMOUNT IMPORTANCE AND THAT EXTERNAL ASSISTANCE AND OTHER RESOURCES SHOULD COMPLEMENT AND REINFORCE DOMESTIC INDUSTRIALISATION EFFORTS,

EMPHASIZING THE CONTINUING NEED FOR OFFICIAL DEVELOPMENT ASSISTANCE IN PROVIDING EFFECTIVE BASIC INFRASTRUCTURE SUPPORTIVE OF INDUSTRIALISATION AND DIRECT SUPPORT FOR INDUSTRIAL DEVELOPMENT, PARTICULARLY IN THE LEAST DEVELOPED COUNTRIES,

RECOGNIZING THE SIGNIFICANT ROLE OF MULTILATERAL DEVELOPMENT INSTITUTIONS AS A SOURCE OF INDUSTRIAL EXTERNAL FINANCING,

CONSCIOUS THAT AID INSTRUMENTS SHOULD AS IN THE
PAST BE ADAPTED TO THE CHANGING NEEDS OF THE
DEVELOPING COUNTRIES,
MINDFUL OF THE IMPORTANCE OF FOREIGN DIRECT
INVESTMENT AS A PRINCIPAL DEBT FREE SOURCE OF
EXTERNAL FINANCE FOR INDUSTRIAL DEVELOPMENT, AS
A SOURCE OF TECHNOLOGY, MANAGERIAL EXPERTISE AND
THE DEVELOPMENT OF EXPORT MARKETS,

BEARING IN MIND THAT THE FLOW OF INVESTMENT IN
INDUSTRIAL PROJECTS IN DEVELOPING COUNTRIES
DEPENDS IN LARGE PART ON THE ESTABLISHMENT OF
THE NECESSARY CONFIDENCE BETWEEN INVESTORS AND

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TRSE-00 EAP-00 ITC-01 OPIC-07 CEA-01 OMB-01 STR-14
SIL-01 HHS-06 INRE-00 FRB-01 AGR-01 USIE-00 JUSE-00
SP-02 /087 W

-----237244 101503Z /46

O 101548Z AUG 74
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC IMMEDIATE 1774
INFO USMISSION USUN NEW YORK
USMISSION GENEVA
AMEMBASSY PARIS

UNCLAS SECTION 02 OF 03 VIENNA 10745

UNVIE

PARIS FOR OECD

EB FOR MARK WALL

USDEL 39

E.D. 12356: N/A
TAGS: UN, UNIDO, AFIN
SUBJECT: UNIDO IV: DRAFT GROUP B RESOLUTION ON

HOST COUNTRIES AND ON THE PROVISIDN OF A STABLE
AND FAVOURABLE INVESTMENT CLIMATE,

ALSO CONVINCED THAT SPECIAL ATTENTION AND
CONSIDERATION SHOULD BE GIVEN TO THE LEAST
DEVELDPED COUNTRIES WHICH HAVE A LOW LEVEL OF
INDUSTRIALISATION, ESPECIALLY IN AFRICA, WITH 26

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OF THE 36 LEAST DEVELOPED COUNTRIES LYING IN
SUB-SAHARAN AFRICA,

DRAWING ATTENTION TO THE NEED TO MAKE THE MOST
EFFECTIVE USE OF FINANCIAL RESOURCES IN
INDUSTRIAL DEVELOPMENT,

1. URGES FURTHER CONSIDERATION OF INTERNATIONAL
FINANCIAL ISSUES OF PARTICULAR CONCERN TO
DEVELOPING COUNTRIES IN THE APPROPRIATE FORA,
GIVING DUE ATTENTION TO INDUSTRIALISATION IN THE
OVERALL CONTEXT OF DEVELOPMENT,

2. RECOMMENDS DEVELOPING COUNTRIES TO FOSTER A
POSITIVE CLIMATE FOR THE MOBILIZATION OF
DOMESTIC SAVINGS FOR INDUSTRIAL INVESTMENT,

3. RECOMMENDS FURTHER THAT COUNTRIES INTERESTED
IN RECEIVING FOREIGN DIRECT INVESTMENT SHOULD
PROVIDE STABLE, TRANSPARENT AND FAVOURABLE
CONDITIONS FOR SUCH INVESTMENT,

4. URGES DONOR COUNTRIES WHICH HAVE NOT YET
REACHED THE TARGETS ESTABLISHED BY IDS AND SNPA
TO TAKE THE NECESSARY MEASURES FOR IMPLEMENTING
THEIR COMMITMENTS AS ADOPTED, AND REAFFIRMED BY
THEM AT UNCTAD IV.

5. INVITES MEMBER STATES TO CONSIDER THE
PROMOTION OF AGREEMENTS IN THE AREAS OF
CO-PRODUCTION AND JOINT VENTURES AND THE
INCORPORATION OF TECHNOLOGY THROUGH LICENSING
AND ENGINEERING CONTRACTS,
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6. REAFFIRMS THAT UNIDO'S INVESTMENT PROMOTION
SERVICES SHOULD CONTINUE TO PROMOTE WAYS AND
MEANS OF MOBILIZING ADDITIONAL FINANCIAL
RESOURCES FOR INDUSTRIAL DEVELOPMENT,

7. ALSO REAFFIRMING THAT IN THE SYSTEM OF
CONSULTATIONS WORK ON INDUSTRIAL FINANCING
SHOULD BE PURSUED WITH REGARD TO EACH SECTOR IN

RESPECT OF WHICH CONSULTATIONS HAVE BEEN
SCHEDULED,

8. REQUESTS UNIDO TD:

- (A) GIVE PRIORITY TO ITS PRDGRAMS AIMED AT
HELPING DEVELOPING COUNTRIES IMPROVE THEIR
INTERNAL PROCEDURES FOR MOBILIZING DOMESTIC
SAVINGS AND ENCOURAGING PRIVATE FOREIGN AND
DOMESTIC INVESTMENT FOR INDUSTRIAL DEVELOPMENT.

- (B) COOPERATE WHERE APPROPRIATE WITH
INTERNATIONAL FINANCIAL INSTITUTIONS IN
PARTICULAR THE WORLD BANK AND REGIONAL
DEVELOPMENT BANKS IN THE PURSUIT OF ITS
ACTIVITIES,

- (C) HELP PREPARE SPECIFIC PROJECTS FOR
CONSIDERATION BY MULTILATERAL DEVELOPMENT
INSTITUTIDNS FOR THE INDUSTRIAL DEVELOPMENT OF
DEVELOPING COUNTRIES.

- (D) STUDY AND PROVIDE INFORMATION ON
SUCCESSFUL MECHANISMS USED BY DEVELOPED AND
DEVELOPING COUNTRIES FOR MOBILIZING SAVINGS, AND
UTILIZING EFFECTIVELY FINANCIAL RESOURCES; IN
THIS REGARD, PARTICULAR ATTENTION SHOULD BE PAID
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TO FINANCING FDR SMALL- AND MEDIUM-SIZED

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O 101548Z AUG 74
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TO SECSTATE WASHDC IMMEDIATE 1775
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USMISSION GENEVA
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E.D. 12356: N/A

TAGS: UN, UNIDO, AFIN

SUBJECT: UNIDO IV: DRAFT GROUP B RESOLUTION ON

INDUSTRIES,

- (E) ASSIST DEVELOPING CDUNTIES, ESPECIALLY
THE LEAST DEVELOPED AMONG THEM, TO IDENTIFY AND
DESIGN INDUSTRIAL PROJECTS THAT WILL ATTRACT
DOMESTIC AND FOREIGN RESOURCES, AND IN THIS
CONTEXT CONTINUE AND IMPROVE THE QUALITY OF ITS
WDRK IN PREPARING FEASIBILITY STUDIES.

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END TEXT. WILLIAMSON

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Message Attributes

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Disposition Event:
Disposition History: n/a
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